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# How to Improve the Debt Ceiling to Fit a Partisan Government: A Global Examination of Which International Solutions Excel

SARAH LOVE\*

## ABSTRACT

*This Note explores the changing role the debt ceiling has played within the United States and considers how that role should be altered moving forward. The debt ceiling's history and its political connections are discussed as a backdrop to how the United States might alter the debt ceiling to limit both future government shutdown and political gridlock. This Note examines both domestic and international solutions to the debt ceiling problem with an emphasis on the latter. In particular, the Note focuses on the possible international solution of adopting a system similar to Denmark's debt ceiling,<sup>1</sup> or adopting a high debt-to-GDP ratio, similar to other non-U.S. countries.<sup>2</sup>*

## INTRODUCTION

For something as inoffensive-sounding as the debt ceiling, the American debt limit is an economic tool that, if not raised when necessary, can lead to “chaotic disruption” on an international economic scale.<sup>3</sup> The debt ceiling is a limit that Congress sets to prevent the United States government from spending over a prescribed amount of federal gross debt.<sup>4</sup> The U.S. Government Accountability Office (GAO) labels this debt as “debt held by the public and debt held in government

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1. See Shalifay, *7 Countries with Debt Ceilings or Limits*, INV. FRONTIER (Oct. 8, 2013), <http://www.investmentfrontier.com/2013/10/08/7-countries-with-debt-ceilings-or-limits/>.

2. See *id.*

3. See Jeanne Sahadi, *7 Things You Need to Know About the Debt Ceiling (Yes, That Again)*, CNN MONEY (Oct. 15, 2015), <http://money.cnn.com/2015/09/14/news/economy/debt-ceiling/>.

4. See *id.*

accounts.”<sup>5</sup> This debt covers anything from U.S. bonds to government programs like Social Security and Medicare.<sup>6</sup> Each year, when the United States spends more money than it creates in revenue, a budget deficit results, and the national debt increases.<sup>7</sup> The difference in spending versus revenue controls the budget deficit.<sup>8</sup> When the debt limit is raised, it does not “create more spending or larger deficits.”<sup>9</sup> Instead, each time a debt ceiling is increased, it accommodates the bills already in place that have passed through the annual budget proposal.<sup>10</sup>

Internationally, a debt ceiling is often implemented to inform “foreign investors of the country’s dedication to fiscal discipline.”<sup>11</sup> It is separate from the United States’ annual budgeting process and “serves as an independent statutory limit on the total nominal value of U.S. sovereign debt.”<sup>12</sup> The debt ceiling is a statutory law,<sup>13</sup> and there is a global expectation that the United States honors its rule of law,<sup>14</sup> and as a result, will enforce its self-imposed debt limits.

The debt ceiling is a flawed device meant to ensure the United States does not become overly indebted and economically unsound.<sup>15</sup> Due to the increasing partisan division surrounding the debt ceiling, an international examination of the practice becomes vital. For this reason, the fact that many analysts are open with their disdain for the debt ceiling measure is discouraging.<sup>16</sup> Indeed, the U.S debt ceiling has often

5. Kelleigh Irwin Fagan, *The Best Choice Out of Poor Options: What the Government Should Do (or Not Do) If Congress Fails to Raise the Debt Ceiling*, 46 IND. L. REV. 205, 210 (2013).

6. *See id.*

7. *See* Chad Stone, *Federal Spending and the Debt Limit*, CBPP (Feb. 2, 2016), <http://www.cbpp.org/federal-budget/federal-spending-and-the-debt-limit>.

8. *See id.*

9. Kathy Ruffing & Chad Stone, *Separating the Debt Limit From the Deficit Problem*, CBPP (Jan. 23, 2013), <http://www.cbpp.org/research/separating-the-debt-limit-from-the-deficit-problem-0>.

10. *See id.*

11. Shalifay, *7 Countries with Debt Ceilings or Limits*, INV. FRONTIER (Oct. 8, 2013), <http://www.investmentfrontier.com/2013/10/08/7-countries-with-debt-ceilings-or-limits/>.

12. *See* Michael D. Arena, *The Legal Frameworks Governing Sovereign Debt and Borrowing in the United States And European Union*, 20 COLUM. J. EUR. L. 283, 289 (2014).

13. *See id.*

14. *See* Ricardo Gosálbo-Bono, *The Significance of the Rule of Law and Its Implications for the European Union and the United States*, 72 U. PITT L. REV. 229, 231 (2010) (providing a helpful definition of what the rule of law means today).

15. *See* Anita S. Krishnakumar, *In Defense of the Debt Limit Statute*, 42 HARV. J. ON LEGIS. 135, 135–37 (2005).

16. *See* Jaime Fuller, *Debt-ceiling explainers, explained*, WASH. POST (Feb. 6, 2014), <http://www.washingtonpost.com/news/the-fix/wp/2014/02/06/debt-ceiling-explainers-explained/>; Chad Stone, *If We Have to Have a Debt Ceiling, Let’s Do It Like the Danes*, US

been described disreputably and has received more condemnation than praise from both legal and economic experts.<sup>17</sup> Because the conversation surrounding the debt ceiling can often only lead to the consideration of one solution,<sup>18</sup> the purpose of this Note is to list both domestic and international solutions by using other countries' methods of debt limits as a comparative lens to shed light on how America can improve its maligned debt ceiling.

Part I of this Note covers the history of the debt ceiling in America and discusses the effect partisan behavior has had on the process of raising debt ceiling and the domestic and international impacts of the American debt crisis. Part II explores how debt ceilings and limits are instituted and used internationally. Part III delves into solutions that could be implemented to help America avoid future debt crises and proposes to adopt either a much higher debt ceiling or debt-to-GDP ratio as explained in Part IV. Part V contains the conclusion that reiterates both the importance of using one of the two international solutions to prevent political partisanship and the limited scope of the argument. This Note argues that America should adopt Belgium's plan of lifting the debt ceiling and, if not possible, should look to other countries for examples of using a debt-to-GDP ratio to stem the partisan-fueled debt crises.<sup>19</sup>

## I. HISTORY OF THE AMERICAN DEBT CEILING

Historically, the power to control the debt limit rests with Congress as one part of its fiscal-related powers.<sup>20</sup> Under U.S. Constitution Article I, § 8:

Congress shall have Power to lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; To borrow Money on the credit of the

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NEWS (June 13, 2013), <http://www.usnews.com/opinion/blogs/economic-intelligence/2013/06/13/gop-debt-ceiling-hostages-and-denmarks-good-idea>.

17. See Sahadi, *supra* note 3; see also Fuller, *supra* note 16 (describing the debt ceiling as "confusing and boring"); Stone, *supra* note 16 (referring to the debt limit "simultaneously a meaningless anachronism and a dangerous political football").

18. See, e.g., James Surowiecki, *Smash the Ceiling*, NEW YORKER (Aug. 1, 2011), <http://www.newyorker.com/magazine/2011/08/01/smash-the-ceiling>.

19. See Stone, *supra* note 16; see also Shalifay, *supra* note 11 (detailing debt limit and ceiling information from various countries).

20. See Krishnakumar, *supra* note 15, at 135.

United States. . . . To coin Money, regulate the Value thereof, and of foreign Coin.<sup>21</sup>

While the Constitution invested Congress with the authority to regulate debt in America, the legislative branch had no statutory law to aid in its control of sovereign debt until 1917.<sup>22</sup> Instead, Congress “approved each individual issuance of debt made on the nation’s behalf.”<sup>23</sup>

With the passage of the Second Liberty Bond Act of 1917, the legislature was able to better check the United States’ debt to creditors<sup>24</sup> and to hold the executive branch’s spending accountable.<sup>25</sup> This statute gave the Secretary of the Treasury partial “borrowing power” and the “standing authority to issue debt without individual congressional approval, up to a specified limit.”<sup>26</sup> In addition to issuing debt, the Secretary of the Treasury was also given the “discretion...to set the amounts, terms, and conditions of federal obligations.”<sup>27</sup> The Second Liberty Bond Act was considered to be “a precursor” to the current debt ceiling America has in place.<sup>28</sup>

In 1939, Congress transformed the debt ceiling by simplifying it into the form seen today.<sup>29</sup> Congress created the present debt ceiling by shedding its “disparate limits on discrete series of bonds and other debt instruments” and by creating “a single aggregate limit on all U.S. government obligations covering nearly every form of public debt.”<sup>30</sup> Over time, this limit must be raised to meet rising debt obligations.<sup>31</sup> From 1960 to January 2018, Congress has altered the debt ceiling “78 separate times to permanently raise, temporarily extend, or revise the definition of the debt limit.”<sup>32</sup> Reaching further back in time, the data becomes more astounding—from 1940 to October of 2015, there were an astounding ninety-five measures to change the debt ceiling in America.<sup>33</sup> Presently, the United States’ debt limit has been suspended

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21. U.S. CONST. art. I, §8, cls. 1–2, 5.

22. See Krishnakumar, *supra* note 15, at 135–36.

23. *Id.*

24. See Arena, *supra* note 12, at 289.

25. See Surowiecki, *supra* note 18.

26. Krishnakumar, *supra* note 15, at 136.

27. Arena, *supra* note 12, at 289.

28. *Id.*

29. See *id.*

30. *Id.*

31. See *id.*

32. *Debt Limit*, U.S. DEPT. TREASURY, <https://www.treasury.gov/initiatives/Pages/debt-limit.aspx> (last updated Jan. 30, 2018).

33. Sahadi, *supra* note 3.

at 20.456 trillion dollars until March 1, 2019.<sup>34</sup> However, according to the Committee for a Responsible Federal Budget, once the suspension ends the United States' debt limit "could be reset as high as \$22 trillion[.]"<sup>35</sup>

### A. American Partisanship

Over time, partisan division played more of a central role concerning the debt ceiling. Though setting the debt ceiling is separate from Congressional bills on spending or reduction in taxes, getting a ceiling lifted can be politically conflict-ridden.<sup>36</sup> In 1987, when President Ronald Reagan prepared to sign that year's debt ceiling law, the U.S. News Managing Editor, Robert Schlesinger, wrote that the change was a "sign of how Washington has transformed from a go-along-to-get-along deal-making culture to one of endless, vituperative confrontation."<sup>37</sup> The trend further emerged in 1995 when Republican Newt Gingrich refused to set up a vote "until Bill Clinton had signed on to a GOP balanced budget plan," which revealed a politician more beholden to his agenda than to avoiding "the price" of default.<sup>38</sup> Yet politics became even more divisive following the midterm elections in 2010 when Republicans in the House of Representatives decided to embrace a "novel political strategy."<sup>39</sup>

House Republicans decided that they would use the debt ceiling to create political stand-offs to push for partisan laws or changes that they might not be able to get passed through conventional means.<sup>40</sup> As they used the debt ceiling in an attempt to push their agenda, they also presented the president as the only one in favor of raising the ceiling.<sup>41</sup> Through this tactic, Republicans against raising the ceiling could outwardly appear to be fiscally conservative "[r]ather than simply

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34. Jeanne Sahadi, *The Sneaky Way Congress Plans to Raise the Debt Ceiling*, CNN MONEY (Feb. 9, 2018, 10:24 AM), <http://money.cnn.com/2018/02/08/news/economy/debt-limit/index.html>.

35. *Id.*

36. Sahadi, *supra* note 3.

37. Robert Schlesinger, *A Debt Ceiling History Lesson*, US NEWS (Oct. 11, 2013), <http://www.usnews.com/opinion/articles/2013/10/11/the-history-of-raising-the-debt-ceiling-from-ronald-reagan-to-bill-clinton-and-newt-gingrich>.

38. *See id.*

39. *See* Neil H. Buchanan & Michael C. Dorf, *Don't End or Audit the Fed: Central Bank Independence in an Age of Austerity*, 102 CORNELL L. REV. 1, 52 (2016).

40. *See id.*

41. *See id.*

conceding that the debt ceiling's level would need to be adjusted in light of congressional enactments.”<sup>42</sup>

On the other side of the political aisle, Democratic President Obama adopted his own strategy after summer 2011 to deal with fiscal situations when the debt limit needed to be raised.<sup>43</sup> President Obama told Congress “that he would only accept a ‘clean’ debt ceiling increase” without any discussion of “unrelated issues.”<sup>44</sup> This strategy seemed to prove effective; Obama’s “opponents did indeed blink each time that a debt ceiling increase was required” during this period.<sup>45</sup> An increase to the debt ceiling was either approved every time, or Congress would “suspend” the debt ceiling temporarily and reset the limit to a higher level when the ceiling is later reinstated.”<sup>46</sup> Congress was unwilling to risk the consequences that would arise from leaving the debt ceiling unchanged;<sup>47</sup> however, this political game of chicken between the parties often left Americans stuck in the middle, waiting for one side to concede.<sup>48</sup>

The most memorable stalemate worth highlighting occurred between Republicans and President Obama in 2013.<sup>49</sup> During this period there was “a fierce partisan standoff” that “brought the United States to the brink of defaulting on its sovereign debt obligations.”<sup>50</sup> On October 17, 2013, the stalemate broke, and President Obama was able to sign an agreement that “ended a two-week shutdown of the federal government.”<sup>51</sup> There remains a strong possibility these events will happen again in the future.<sup>52</sup> In February of 2016, Republicans in the House of Representatives declared in a report that they now “regard the stare-down strategy as a bluff that they are now prepared to call.”<sup>53</sup> House Republicans seem to believe “failure to raise the debt ceiling would impose no special hardship—and certainly no constitutional

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42. *Id.*

43. *See id.* at 55–59.

44. *Id.* at 56.

45. *Id.*

46. *See id.* at 57 (suggesting that “[i]n that sense, President Obama ‘won’ the post-2011 debt ceiling standoffs.”); Sahadi, *supra* note 34 (This latter technique, currently employed under President Trump, is considered a “back-door” or even “sneaky” way of lifting the debt ceiling.)

47. *See id.*

48. *See id.*

49. *See id.*

50. Arena, *supra* note 12, at 284.

51. *Id.*

52. *See* Buchanan & Dorf, *supra* note 39, at 57.

53. *Id.*

crisis—for the executive branch,” an opinion that could encourage future debt ceiling crises of longer length.<sup>54</sup>

At this time, “congressional accountability and periodic fiscal reform concerning national borrowing and the debt are [now] crucial” because in the past decades Congress has charted a “trend[] towards inefficient and excessive borrowing [which] portend[s] future economic difficulties if left unchecked.”<sup>55</sup> This trend has resulted in unsettling current debt figures and alarming future projections.<sup>56</sup> An exploration of our debt ceiling figures is therefore needed to give perspective to this trend.

A combination of this Congressional infighting and increasing economic necessity for a higher outstanding debt has culminated in the debt ceiling reaching about 18.113 trillion dollars, as calculated in late 2015.<sup>57</sup> In the past, the United States only borrowed money “occasionally, in order to finance emergencies or its own expansion” for such things as “to fund wars, pull itself out of economic depression, or invest in its own infrastructure.”<sup>58</sup> In recent decades, the borrowing has increased into an annual affair “simply to pay the overall cost of programs authorized by Congress and the President.”<sup>59</sup> This change in borrowing can be attributed to many causes, the most prominent being the nation’s latest economic depression in 2008.<sup>60</sup> A large amount of the deficit, however, remains health care costs associated with Social Security and Medicaid.<sup>61</sup>

In late 2016, America’s public debt amounted to slightly more than 75 percent of its gross domestic product, an alarming sum given the percentage in 2010 was 56 percent, and, in 2005, was only around 35 percent.<sup>62</sup> Additionally, based on the nation’s current trend, the Congressional Budget Office estimates that public debt in America in 2026 will account for 86 percent of its gross domestic product.<sup>63</sup> If the prediction extends further into the future, the estimates reveal bleaker

54. *Id.*

55. Krishnakumar, *supra* note 15, at 137.

56. *See generally* Stone, *supra* note 7 (providing general insight to the current state of U.S. debt).

57. *See* Sahadi, *supra* note 3.

58. Krishnakumar, *supra* note 15, at 137.

59. *Id.*

60. *See* Jacob Davidson, *How Much Does America’s Huge National Debt Actually Matter?*, TIME, (Dec. 18, 2016), <http://time.com/4214269/us-national-debt/> (pointing out that the national debt has almost doubled after “the financial crisis” the country faced).

61. *See id.*

62. *See Federal Debt Held by the Public as Percent of Gross Domestic Product*, FRED, (last updated Dec. 21, 2016), <https://fred.stlouisfed.org/series/FYGFQDQ188S>.

63. *See* Davidson, *supra* note 60. *But see* Stone, *supra* note 7 (making the remark that this 2026 prediction should be kept in perspective with the past, when the debt was over 106 percent in 1946).



figures: in three decades, the Congressional Budget Office predicts the public debt will equate to 155 percent of its gross domestic product.<sup>64</sup> These figures conclusively point to the realization that lawmakers are facing, and will increasingly face, a financial dilemma in which decisions must be made to balance spending and taxes within the United States to stem the rise of public debt.<sup>65</sup>

### *B. The Impact of a Debt Ceiling Crisis*

In December 2012, the U.S. Treasury reached the limit of how much the country could borrow when the government debt reached a total of 16.39 trillion dollars.<sup>66</sup> Because the United States' ability to borrow is restricted by statute, it was necessary to gain Congress's approval to raise the debt ceiling.<sup>67</sup> If the debt ceiling were not increased, the ceiling would hinder America's ability to pay for key services, such as financing its national defense or providing payouts through Medicare and Social Security.<sup>68</sup> As explained, this was just one example out of many debt ceiling crises that have plagued America since 2010.<sup>69</sup> Each time this limit is met or exceeded through Congress' budget proposals and a debt ceiling crisis unfolds, the persistent potential consequences arise with domestic and far-reaching international impacts.<sup>70</sup>

If the debt ceiling is not raised, the U.S. Treasury may take emergency measures in the short term to stave off financial ruin. Such actions "include under-investing in certain government funds, suspending the sales of nonmarketable debt, and trimming or delaying auctions of securities."<sup>71</sup> If no legislation is passed after these measures are implemented, the U.S. Treasury would need to "refinance maturing securities" to delay more disastrous effects.<sup>72</sup> This would be a stopgap measure that would not solve the problem but only reduce the immediate effects of the economic issue.<sup>73</sup>

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64. Davidson, *supra* note 60.

65. See Stone, *supra* note 7 (acknowledging and warning that "[p]olicymakers . . . will have to make hard choices in setting a future course that is both fiscally responsible and realistic about the levels of spending and taxes appropriate to the country's needs").

66. See Jonathan Masters, *U.S. Debt Ceiling: Costs and Consequences*, PBS (Nov. 19, 2016), <http://www.pbs.org/newshour/rundown/debt-ceiling-1/>.

67. See *id.*

68. See *id.*

69. See Buchanan & Dorf, *supra* note 40, at 57–58.

70. See Stone, *supra* note 7.

71. Masters, *supra* note 66.

72. Ruffing & Stone, *supra* note 9.

73. See Masters, *supra* note 66.

A debt ceiling crisis could also likely lead to a substantial drop in the stock market and United States credit rating downgrades.<sup>74</sup> After the 2011 debt ceiling incident, Standard and Poor's, a credit-rating agency, downgraded the U.S. debt.<sup>75</sup> Nations heavily put faith into U.S. Treasury bonds; they "are considered nearly as safe as cash."<sup>76</sup> In fact, other countries view America as "the safest borrower in the world."<sup>77</sup> This is in large part because the United States has always fully paid its debts "on the date that the federal government has legally committed to making a payment."<sup>78</sup>

Should the United States default on its debt, the results would be catastrophic.<sup>79</sup> An American debt crisis would shake the international economy's confidence in the United States: "Many analysts say congressional gridlock over the debt limit will likely sow significant uncertainty in the bond markets and place upward pressure on interest rates."<sup>80</sup> According to Federal Reserve Chairman Ben S. Bernanke, "The threat of default in the summer of 2011 fueled economic uncertainty and badly damaged confidence, even though an agreement ultimately was reached."<sup>81</sup>

## II. GLOBAL DEBT CEILINGS OR LIMITS

While countries manage debt in different ways, there are key techniques countries use to manage or maintain their public debt.<sup>82</sup> Only seven countries follow an obvious debt ceiling or percentage-to-GDP limit.<sup>83</sup> In addition to these techniques, most countries are members of the International Monetary Fund and support the World Bank Group.<sup>84</sup> This section will discuss how countries manage outstanding debt and how the international community deals with countries falling into economic turmoil.

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74. *See id.* at 4.

75. Ruffing & Stone, *supra* note 9.

76. Jacob Goldstein, *The Debt Ceiling, Explained*, NPR (Apr. 11, 2011), <http://www.npr.org/sections/money/2011/04/12/135314575/the-debt-ceiling-explained>.

77. Buchanan & Dorf, *supra* note 40, at 58.

78. *Id.*

79. *See* Goldstein, *supra* note 77.

80. Masters, *supra* note 66.

81. Ruffing & Stone, *supra* note 9.

82. *See* Shalifay, *supra* note 11.

83. *Id.*

84. *See* David D. Driscoll, *The IMF and the World Bank: How Do They Differ?* IMF (Aug. 1996), <https://www.imf.org/external/pubs/ft/exrp/differ/differ.htm>.

*A. Denmark's Debt Limit*

America and Denmark are the only two democratic countries that impose a debt ceiling or debt limit not connected to a debt-to-GDP ratio.<sup>85</sup> Therefore, perhaps only by default, Denmark's limit is the most like the United States'.<sup>86</sup> In Denmark, the debt ceiling is set far ahead of the country's outstanding debt. In response to the global 2008-2009 recession, Denmark doubled its debt ceiling, "which was already well above the actual debt, to nearly three times the debt at the time."<sup>87</sup> Creating a high debt ceiling means that the country does not have to consistently amend the debt ceiling, a scenario that has caused much friction in the United States.<sup>88</sup> Before the 2010 modification, the debt limit was set around 175 billion U.S. dollars.<sup>89</sup> By 2010, the country's debt climbed to 75 percent of that figure.<sup>90</sup> Post-modification, the debt limit is now around 365 billion U.S. dollars.<sup>91</sup>

Belgium is a member of the European Union and has a parliamentary style of government with a multi-party structure.<sup>92</sup> The nation supplies free college and health care, along with subsidized childcare.<sup>93</sup> To account for this state support, Danish citizens are relatively highly taxed; their "total tax revenues is 49% of the size of the economy, compared to 25.4% in the U.S."<sup>94</sup> Though there are many differences between the small country of Denmark and America's economic powerhouse nation, the former is currently mirroring the United States by widening the income cap for its citizens.<sup>95</sup>

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85. See Dylan Matthews, *Fourteen Countries that Don't Have Debt Ceilings and Are Not on Fire*, WASH. POST (Aug. 30, 2013), [https://www.washingtonpost.com/news/wonk/wp/2013/08/30/fourteen-countries-that-dont-have-debt-ceilings-and-are-not-on-fire/?utm\\_term=.7e918f122b0c](https://www.washingtonpost.com/news/wonk/wp/2013/08/30/fourteen-countries-that-dont-have-debt-ceilings-and-are-not-on-fire/?utm_term=.7e918f122b0c).

86. See Shalifay, *supra* note 11.

87. Stone, *supra* note 16.

88. See *id.*

89. Shalifay, *supra* note 11.

90. See *id.*

91. See *id.*

92. See *Denmark: Government and Politics*, DENMARK (Dec. 17, 2016), <http://denmark.dk/en/society/government-and-politics/>.

93. Tami Luhby, *Actually, Denmark is Becoming More Like Us*, AM. OPPORTUNITY (Oct. 23, 2015), <http://money.cnn.com/2015/10/23/news/economy/denmark-inequality/>.

94. *Id.*

95. See *id.*

### *B. Debt Percentage to GDP Countries*

Other countries connect their debt ceiling or limit to their global domestic product (GDP). Countries that follow this debt ceiling structure are Malaysia and Poland, with their debt ceilings set to fifty-five percent of the GDP; Pakistan, with sixty percent to GDP; and Namibia, with a debt ceiling to thirty-five percent GDP.<sup>96</sup> In this debt limit system, the ratio of debt-to-GDP should increase during economic hardship or in emergency situations, while the ratio should decrease when the economy rebounds and when no emergencies exist.<sup>97</sup> One international flaw that this debt limit creates is one of accountability.<sup>98</sup> Malaysia has already long surpassed its ratio limit, with no internal consequences or rising of the ratio to accommodate this breach.<sup>99</sup> In Poland, where the 2013 figures put the public debt near the top of the ratio limit, “a fair amount of number massaging” took place to comply with its debt limit.<sup>100</sup> Pakistan supposedly breached its debt limit in 2012, and the current circumstances of the country make determining its current debt ratio an arduous task.<sup>101</sup> The United States, then, is separate from these countries in that it seems “the closest to actually suffering consequences for ‘breaching’” its imposed debt limit.<sup>102</sup>

### *C. Global Economic Organizations and Lending Powers*

In addition to countries that have a debt ceiling or limit, other countries may be required to follow a debt-to-GDP limit to join certain economic organizations.<sup>103</sup> For instance, for a country to join the West African Economic and Monetary Union, there is a debt limit imposed of seventy percent debt-to-GDP limit, while the Economic and Monetary Union of the European Union requires a debt limit imposed of 60 percent to the GDP.<sup>104</sup> These debt ceilings or limits, however, do not usually come with strict rules.<sup>105</sup> The European Union uses a combination of the “European Commission, European Council, and European Court of Justice” to institute “fiscal rules mandating debt brakes, borrowing restraints, deficit targets, and perpetually balanced

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96. Shalifay, *supra* note 11.

97. See Stone, *supra* note 7.

98. See Shalifay, *supra* note 11.

99. *Id.*

100. *Id.*

101. See *id.*

102. *Id.*

103. See *id.*

104. *Id.*

105. See *id.*

budgets.”<sup>106</sup> As some Member States in the European Union face extreme financial strain, the European Union has put policy initiatives into place in an attempt to “put vulnerable Member States back on the path to fiscal sustainability.”<sup>107</sup>

Separate from these organizations is the International Monetary Fund, which boasts 189 member countries and serves as a resource in handling sovereign debt.<sup>108</sup> The International Monetary Fund (also called IMF or “the Fund”) was created in July 1944 at a U.N. conference in New Hampshire for the purpose of “ensur[ing] the stability of the international monetary system.”<sup>109</sup> The Fund “work[s] to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.”<sup>110</sup> The United States is a strong force in the IMF; Washington, D.C. serves as its headquarters,<sup>111</sup> and as of 2003, the United States had about 17.14 percent of the IMF voting power.<sup>112</sup> The Fund serves as a watchdog to oversee other countries by lending money to stabilize the economies of struggling countries and by helping the country solve the problems that caused the difficulties.<sup>113</sup> However, the Fund is also aided by the World Bank Group, which is described as a “development institution.”<sup>114</sup>

### III. POSSIBLE SOLUTIONS

This section is broken up into two subparts: the first subpart is an examination of domestic solutions and the second section is an examination of international solutions. Both subparts have academic support for their positions, but there is no clear solution. While there is wide support for abolishing the debt ceiling, this is just one of many proposed solutions.<sup>115</sup> By considering solutions available both domestically and internationally, one can gain a better understanding of the choices the United States faces looking forward.

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106. Arena, *supra* note 12, at 286.

107. *Id.* at 292.

108. *About the IMF*, IMF (Dec. 15, 2016), <https://www.imf.org/external/about.htm> (boasting “near global membership.”); Sean Hagan, *Designing a Legal Framework to Restructure Sovereign Debt*, 36 GEO. J. INT’L L. 299, 300 (2005).

109. *Id.*

110. *Id.*

111. *See id.*

112. *See* Hagan, *supra* note 108, at 299.

113. *See About the IMF*, *supra* note 108.

114. Driscoll, *supra* note 84.

115. *See* Stone, *supra* note 7.

### A. Domestic Solutions

The United States' Congress could amend the debt limit statute, 31 U.S. Code § 3101, in many ways to benefit and keep the debt ceiling. The United States could give more power to the executive branch,<sup>116</sup> make general amendments,<sup>117</sup> or enact changes based on three Government Accountability Office (GAO) recommendations.<sup>118</sup> While these initial suggestions all function around the idea that the debt ceiling should be amended, a more drastic solution of abolishing the debt ceiling is also discussed to balance these proposals.

First, Congress could change the law to give more economic power to the U.S. President when the debt ceiling is at capacity.<sup>119</sup> The executive branch has previously tried this method in December 2012 with little, arguably no, success.<sup>120</sup> The amendment would have allowed the president “greater freedom” to lift the debt ceiling whenever necessary.<sup>121</sup> Under the proposal rejected by the GOP leadership, the president would have been empowered to effectively raise the limit unless a two-thirds majority of Congress voted in opposition.”<sup>122</sup> Second, Congress could amend the law to change House and Senate rules regarding the statute's use without ceding power to the executive branch.<sup>123</sup> In addition to amendments to the statute itself, one proponent of keeping the statute argues that there should be amendments in conjunction with “internal legislative rules and budget procedures” to hold Congress more responsible for its decisions concerning the debt.<sup>124</sup>

Alternatively, in 2015, the GAO gave three techniques the United States could use to better the debt ceiling.<sup>125</sup> The GAO suggested first that the United States allow the debt ceiling to “rise automatically or at a minimum” and require debt limit legislation, free from any proposals unrelated to the debt ceiling, each time a new budget is adopted.<sup>126</sup> In

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116. See Zachary K. Ostro, *In the Debt We Trust: The Unconstitutionality of Defaulting on American Financial Obligations, and the Political Implications of their Perpetual Validity*, 51 HARV. J. ON LEGIS. 241 (2014); see also Public Debt Limit, 31 U.S.C. § 3101 (2012).

117. See Krishnakumar, *supra* note 15, at 139.

118. See Stone, *supra* note 7.

119. See *id.*

120. See *id.*

121. *Id.*

122. *Id.*

123. Krishnakumar, *supra* note 15, at 139.

124. *Id.*

125. See Stone, *supra* note 7.

126. *Id.*

effect, this would be carrying out what President Obama told Republicans he would accept concerning debt ceiling negotiation.<sup>127</sup> Then, Congress would have to pass budgets consistent with the debt limit.<sup>128</sup> Second, the GAO recommended the president have the power “to raise the debt limit as needed to cover bills incurred under existing budget law.”<sup>129</sup> To check this additional executive power, the GAO suggested Congress would have a streamlined procedure in place to lawfully reject this action when they felt the situation so warranted it.<sup>130</sup> Third, the GAO suggested that, instead of the president gaining the power, the Treasury should be empowered to “borrow as needed.”<sup>131</sup>

Additionally, during the debt crisis in 2011, some experts went back to a principle found in the U.S. Constitution, the Public Debt Clause, as a legal remedy.<sup>132</sup> The Public Debt Clause, located in Section Four of the Fourteenth Amendment<sup>133</sup> of the U.S. Constitution, provides: “The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned.”<sup>134</sup> This 1866 addition to the Constitution may be used as a “tool” for the president to “use unilaterally to raise the debt ceiling if Congress” does not lift it.<sup>135</sup> This was called the “nuclear option” and had popular proponents backing the idea, such as former President Bill Clinton.<sup>136</sup> This technique was not implemented during the 2011 debt crisis and most likely will not be used in the future based on its shortcomings.<sup>137</sup> Without a statute reining in a debt limit, investors might be wary of buying into U.S. credit: “bond purchasers might demand very high rates of interest for the ‘radioactive’ bonds, destabilizing . . . markets.”<sup>138</sup> Regardless, even though the 2011 debt crisis has passed, some continue to support the strange idea of the

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127. See Buchanan & Dorf, *supra* note 39, at 52–57.

128. See generally Stone, *supra* note 16 (describing Congress’ options regarding debt limits).

129. Stone, *supra* note 7.

130. See *id.*

131. *Id.*

132. See Fagan, *supra* note 5, at 206; Public Debt Limit, 31 U.S.C. § 3101 (2012).

133. See U.S. CONST. amend. XIV.

134. Fagan, *supra* note 5, at 206.

135. *Id.* at 206–07.

136. Neil H. Buchanan and Michael C. Dorf, *How to Choose the Least Unconstitutional Option: Lessons for the President (and Others) from the Debt Ceiling Standoff*, 112 COLUM. L. REV. 1175, 1177 (2012).

137. See *id.* at 1178.

138. *Id.*

United States' President choosing to essentially ignore the debt ceiling.<sup>139</sup>

Finally, the United States could get rid of its debt ceiling entirely and instead rely on Congress to monitor its public debt through its power over the budget.<sup>140</sup> This idea has been promoted during debt ceiling discussions.<sup>141</sup> Opponents of the debt ceiling list several reasons why they feel the limit is not needed. Critics point out that, excluding Denmark, "every other democratic country . . . does fine without one."<sup>142</sup> Further, no debt limit is written in the constitution, and Congress can maintain its debt through its budget proposals without the inclusion of the debt ceiling.<sup>143</sup> Some opponents even believe the debt ceiling is unconstitutional because it violates Section Four of the Fourteenth Amendment.<sup>144</sup> Understandably, if people subscribe to the belief that the debt ceiling is unconstitutional, this would create a heavy incentive to get rid of it.<sup>145</sup> One law journal article holds that, to prove the limit is unconstitutional, bondholders with standing would have to claim that the debt ceiling "violate[s] both the Fourteenth Amendment's Public Debt Clause and the Fifth Amendment's Due Process Clause" because they "suffer economic and noneconomic injuries."<sup>146</sup>

If the government branches are in accord, this is more likely to occur.<sup>147</sup> Following the 2016 U.S. election results, the United States is in the unexpected position of having the first solution of removing the ceiling come to fruition. According to economic analyst Jacob F. Kirkegaard, while "[r]emoval of the debt ceiling is possible," it is unlikely "unless one party controlled both houses of Congress and the

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139. *Id.* at 1175. (arguing that if a political gridlock threatens the debt ceiling, the President should simply ignore the debt ceiling, because he will be committing the "least unconstitutional" option).

140. See Stone, *supra* note 7.

141. See Ruffing, *supra* note 9.

142. Surowiecki, *supra* note 18.

143. See *id.*

144. See Neil H. Buchanan and Michael C. Dorf, *Bargaining in the Shadow of the Debt Ceiling: When Negotiating Over Spending and Tax Laws, Congress and the President Should Consider the Debt Ceiling a Dead Letter*, 113 COLUM. REV. SIDEBAR 32, 33 (2013). See U.S. CONST. amend. XIV.

145. See Victor Williams, *Raze the Debt Ceiling: A Test Case for State-Sovereign and Institutional Bondholder Litigation to Void the Debt Limit Statute*, 72 WASH. & LEE L. REV. ONLINE 96, 96 (2015).

146. *Id.* at 97.

147. Tom Risen, *Why Do Only US and Denmark Have a Debt Ceiling?*, US NEWS (Oct. 11, 2013), <http://www.usnews.com/news/articles/2013/10/11/why-do-only-us-and-denmark-have-a-debt-ceiling> (quoting Jacob Funk Kirkegaard who works for the Peterson Institute for International Economics).



White House.”<sup>148</sup> Kierkegaard continued by stating that the losing political party “would always feel that they could extract some political capital from it.”<sup>149</sup> With Republicans in control of the presidency and both houses of Congress, Kierkegaard’s forecast becomes pertinent.<sup>150</sup> However, this prediction appeared to center on the controlling political party acting in unison to overthrow the debt ceiling limit.<sup>151</sup> Instead, during the latest political maneuverings around the debt ceiling, Republican President Trump worked with members of the Democratic Party to lift and then suspend the debt ceiling.<sup>152</sup> This suggests that what the President feels about the debt ceiling may differ from his other conservative counterparts’ feelings on the matter.<sup>153</sup> As a result, President Trump’s arrangements concerning the ceiling may not align to bring Kierkegaard’s prediction into reality.<sup>154</sup>

### *B. International Solutions*

Because domestic solutions appear to be difficult to implement, the answer to America’s debt problems could rest with international solutions.<sup>155</sup> The United States could adopt techniques used by other countries to better its relationship with its debt.<sup>156</sup> This could either be through adopting Denmark’s use of the debt ceiling,<sup>157</sup> another country’s debt ceiling,<sup>158</sup> or through utilizing a debt-to-GDP ratio.<sup>159</sup>

The first option is to use Denmark’s debt ceiling strategy.<sup>160</sup> The United States could set a debt limit that is much higher than its normal amount, with the hope of cutting off the need for frequent incremental adjustments as annual budgets surpass the limit.<sup>161</sup> The Danish debt ceiling “was never intended to play any role in day-to-day politics,”

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148. *Id.*

149. *Id.*

150. See *2016 Election Results*, CNN POLITICS, <http://www.cnn.com/election/2016/results> (last visited Feb. 21, 2018).

151. See Risen, *supra* note 147.

152. Thomas Kaplan, *Senate Votes to Raise Debt Limit and Approves \$15 Billion in Hurricane Relief*, NY TIMES (Sept. 7, 2017), <https://www.nytimes.com/2017/09/07/us/politics/senate-harvey-irma-aid.html>; Sahadi, *supra* note 34.

153. See *id.*

154. See Risen, *supra* note 147.

155. See *id.*

156. See generally Shalifay, *supra* note 11.

157. Stone, *supra* note 16 (writing on the subject of the debt ceiling that “it’s best to scrap it entirely, but the Danes have the second best idea.”).

158. See Shalifay, *supra* note 11.

159. See Stone, *supra* note 7.

160. *Id.*

161. See *id.*

unlike the United States where politics have become intertwined with the debt limit.<sup>162</sup> For this strategy to be fully executed, Congress must amend the debt statute to substantially increase the limit, rather than increase or suspend it enough to last only an uncertain number of years.

Alternatively, the adoption of other countries' debt ceiling or debt limit procedures is also an appealing possibility.<sup>163</sup> For instance, Malaysia does not have a legally binding debt limit but instead one that its Minister of Finance has the power to change as he sees fit.<sup>164</sup> Practically applying this solution could mean that the United States can give the president more power over the debt limit, but as previously discussed, this solution would not be one openly embraced by Congress.<sup>165</sup>

Others argue that the United States should adopt a debt-to-GDP ratio. The United States can look internationally to discover what ratio might be most helpful. For instance, in the 1990s, the European Union and IMF implemented a debt ratio of 60 percent of GDP or less for Member Countries.<sup>166</sup> There is no economic evidence that a specific ratio should be upheld above others, be it sixty percent or any other percent, though; "IMF staff have made clear that the 60 percent criterion is arbitrary and should not guide near-term fiscal policy in the wake of the recent financial crisis."<sup>167</sup> Just as the IMF found no "clear debt threshold," there is no golden ratio that would be perfect for the United States.<sup>168</sup> Therefore, if the United States followed this international measure to limit their public debt, the creation of the ratio would be entirely discretionary.

Similarly, as economists Carmen Reinhart and Kenneth Rogoff admit, "there is no 'magic threshold' for the debt ratio" that signifies "slower economic growth."<sup>169</sup> If the United States experiences spending cuts and higher revenues, the United States could set a debt-to-GDP ratio.<sup>170</sup> Despite this, on the surface it would be better if the United States could adopt and limit itself to "a lower debt-to-GDP ratio . . . because of the additional flexibility it provides policymakers facing economic or financial crises and the lower interest burden it carries."<sup>171</sup>

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162. *Id.*

163. *See* Shalifay, *supra* note 11.

164. *Id.*

165. *See* Ostro, *supra* note 116, at 242–43.

166. Stone, *supra* note 7.

167. *Id.*

168. *Id.*

169. *Id.*

170. *Id.*

171. *Id.*

The United States could also adopt rules similar to the European Union's Fiscal Compact as argued in Michael Arena's 2014 journal article.<sup>172</sup> Arena claims that the adoption of a similar compact in the United States "would more effectively induce long-term budgetary discipline and better incentivize sustainable fiscal policy."<sup>173</sup> The ability to set sanctions against persistent violations could encourage Congress to follow the rules, rather than follow political avenues.<sup>174</sup> For this to occur, Congress would have to pass statutory rules that are economically far-sighted.<sup>175</sup> However, creating these rules would take away the legislature's frequent power to holdout on increasing the debt ceiling when there is contentious legislation being circulated with which Congress disagrees.<sup>176</sup>

#### IV. ARGUMENT: APPLYING THE BEST INTERNATIONAL SOLUTIONS

Because the U.S. debt ceiling has an international scope of influence and remains a contentious area of law, the importance of finding a solution cannot be underestimated. The stakes are high; a solution must be found to America's debt ceiling problem.<sup>177</sup> In 2011, Treasury Secretary Timothy Geithner warned: "[D]efault by the United States is unthinkable. This is not a new or partisan judgment; it is a conclusion that has been shared by every Secretary of the Treasury, regardless of political party, in the modern era."<sup>178</sup> Now, just as 2018 is beginning, the long-held threat of a potential default still looms just as large. Considering the current state of affairs, one must look internationally to discover what America's best strategy would be to avoid future partisan stalemates or the harsh consequences that Congress not lifting the ceiling could bring, such as default, financial devastation, and higher interest rates for the country.<sup>179</sup> While there have been plenty of domestic solutions discussed in the academic community, the best solution is to take an international approach and apply what the United States can acquire from a comparative, international lens.<sup>180</sup>

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172. See Arena, *supra* note 12, at 286.

173. *Id.*

174. See *id.* at 294.

175. See *id.* at 296.

176. See *id.* at 297.

177. See generally Stone, *supra* note 7 (expressing the need for policymakers to "buckle down and make compromises.").

178. Arena, *supra* note 12, at 285.

179. See Surowiecki, *supra* note 18.

180. See generally Stone, *supra* note 16 (arguing that if the United States keeps a debt ceiling it should be modeled after the one in Denmark).

I argue that the United States should keep politics separate from the debt ceiling to such a degree as is reasonable using one of two international solution approaches. To accomplish this, the United States could either mirror Denmark's debt ceiling where the limit is much higher than necessary, or, in the alternative, attach their debt ceiling to a high GDP limit as applied in other countries.<sup>181</sup> Furthermore, I disagree with critics who wish to demolish the debt ceiling entirely.<sup>182</sup>

To explain why America should adopt the traits of one of the two aforementioned international forms of a debt limit, it is first important to argue in favor of why the debt ceiling should continue and not be destroyed. While most critics seem to believe that getting rid of the debt ceiling to have no limit or ratio is the best solution,<sup>183</sup> this idea seems to disregard or belittle any benefits attached to the limit. Proponents of the debt limit statute believe the statute does serve purposes worthy of keeping the statute in place.<sup>184</sup> When one combines the two main purposes of the debt ceiling,<sup>185</sup> it showcases why lawmakers should consider amending the statute, rather than merely getting rid of it.

One purpose Americans can claim of their debt ceiling is "what the political theorist Jon Elster calls a 'precommitment device'—a way of keeping ourselves from acting recklessly in the future."<sup>186</sup> There have been notable instances where the debt limit has successfully acted in such a capacity.<sup>187</sup> For example, the "the Gramm-Rudman debates of 1985 and the 'budget summit' of 1990" both represent situations in which "the need to raise the debt ceiling may have played a role in prompting policymakers to take action aimed at reducing projected deficits."<sup>188</sup> Critics will note that these circumstances are rare and that the decision to reduce the U.S. deficit springs from different sources.<sup>189</sup> However, simply because these checks do not outwardly occur frequently does not mean potential future checks should be barred by the absence of a debt ceiling. The debt ceiling statute is "the last remnant of congressional control or accountability over the national debt," and ridding the nation of this accountability check would do this nation a deep disservice.<sup>190</sup>

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181. See Shalifay, *supra* note 11.

182. See, e.g., Stone, *supra* note 7.

183. See *Debt Ceiling*, IGM FORUM (Jan. 15, 2013), <http://www.igmchicago.org/surveys/debt-ceiling>.

184. See Krishnakumar, *supra* note 15, at 137.

185. See *id.*

186. Surowiecki, *supra* note 18.

187. See Ruffing, *supra* note 9.

188. *Id.*

189. See *id.*

190. Krishnakumar, *supra* note 15, at 137.

The debt statute also serves the purpose of acting as a device that “encourages legislators to consider the interests of the general public and future generations, rather than those of special interests.”<sup>191</sup> The latter purpose may have been obscured over the last decades,<sup>192</sup> especially in the past few years with Republican House of Representatives members pitted against the Democratic President Obama over debt ceiling increases,<sup>193</sup> but that does not mean Congress will always rise to such partisan levels. With hope, the partisan division controlling the 2010s is fated to be an anomaly rather than an accurate indication of how Congress and the executive branch will interact in the future. It seems unreasonable to get rid of the debt ceiling completely when other alternatives may decrease its noticeable flaw: partisanship.<sup>194</sup>

Instead of destroying the debt ceiling, the United States should first consider embracing Denmark’s use of the debt ceiling.<sup>195</sup> Denmark has successfully kept politics out of the debt ceiling, while in the United States it seems like politics is all too pervasive in negotiations around the ceiling.<sup>196</sup> Though perhaps some of the reason the United States is overly partisan and Denmark is not can be explained by their political system differences; adopting a comparable high limit like Denmark imposes could still certainly aid the United States by taking the burden of constantly having to adjust the debt limit away.<sup>197</sup> If the United States adopted Denmark’s limit system by raising its debt to the same degree, Congress could amend the limit to be almost three times as much money as the debt the United States currently owns.<sup>198</sup> This hypothetical sum could allow the United States to end its frequent debt crises for a substantial time.<sup>199</sup>

If America wants to pose a limit quantified in a different way, a debt-to-GDP ratio could also be an appealing solution.<sup>200</sup> Because the debt-to-GDP ratio is different than the American numerical value in place, it may appear to be a less attractive solution to America’s debt ceiling. This does not make the implementation or ability to reduce

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191. *Id.*

192. See Buchanan & Dorf, *supra* note 39, at 52–53.

193. See *id.* at 56–57.

194. See Stone, *supra* note 7.

195. See Stone, *supra* note 16.

196. See, e.g., Schlesinger, *supra* note 37.

197. See Sahadi, *supra* note 3 (explaining that “on average,” a debt limit crisis takes place in America “more than once a year”).

198. Stone, *supra* note 16.

199. See *id.*

200. See Shalifay, *supra* note 11.

partisanship any less plausible, though.<sup>201</sup> Unlike other countries where accountability is an issue, the United States is one country where accountability is ensured through its high position in the international economy.<sup>202</sup> Large debt agencies have the power to strip the United States of its credit rating, a potential deterrent for the government to ignore or breach its ratio, as is experienced in other countries.<sup>203</sup> There is an expectation that America follows the rule of law, meaning in part that “power” will not “be exercised arbitrarily” here.<sup>204</sup> Because people have faith in the presence of this fundamental value in the United States, there is no chance the nation will misrepresent its debt ratio, a fault other countries have committed.<sup>205</sup>

For this international prototype to work, however, the ratio must be a high enough percentage to prevent Congress from having to quickly raise the ratio.<sup>206</sup> Raising the debt ceiling or switching to a debt-to-GDP ratio would allow the continuation of a check on national debt and against “interest group politics,”<sup>207</sup> but the check would likely take on a more passive role. Instead of funneling time and intellectual resources into amending the debt limit each year or so, House of Representatives members could devote that time and energy to other uses.<sup>208</sup>

Both of these international solutions rely on a positive assumption that delaying the constant need to adjust the debt limit long enough will preserve the functionality of the limit until circumstances require an adjustment and political parties are more willing to compromise.<sup>209</sup> According to scholars, the United States is “living in an age of astonishing political partisanship by public officials.”<sup>210</sup> If this severe partisanship trend is short-lived or diminishes in the future, acting now to either raise the debt limit to a higher nominal level or raise it to a high debt-to-GDP ratio could allow the United States to keep the debt statute, and more importantly, retain its accountability.<sup>211</sup>

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201. *See id.*

202. *See id.*

203. *See id.*

204. Gosalbo-Bono, *supra* note 14, at 231.

205. *See* Shalifay, *supra* note 11.

206. *See generally* Stone, *supra* note 16 (describing where Denmark realized a high amount “far in excess of outstanding debt”).

207. Krishnakumar, *supra* note 15, at 137.

208. *See*, Sahadi, *supra* note 3 (stating how often Congress must adjust the ceiling).

209. *See* Shalifay, *supra* note 11.

210. Justin Levitt, *The Partisanship Spectrum*, 55 WM. & MARY L. REV. 1787, 1790 (2014).

211. *See generally* Shalifay, *supra* note 11 (noting how Denmark raised its limit to such a number that the country is “in no danger of default.”).

## CONCLUSION

The past few decades have shown the negative effects partisan grandstanding has taken on the debt ceiling in the United States.<sup>212</sup> The debt ceiling has become a game of chicken, with serious consequences hanging in the balance.<sup>213</sup> The domestic approaches to repairing the U.S. debt ceiling through amendment appear to fall short.<sup>214</sup> Instead, by looking at other countries and trying to mirror their approach, Congress can amend the debt ceiling to a level that will put it above the political fray. If the United States adopts a limit high enough that there will not be a repeat of 2010 to the present, when every few years a debt ceiling impasse would draw the nation's attention, politicians can put an end to this dangerous game of chicken.<sup>215</sup> Denmark's numerical limit is already most similar to the debt limit in place,<sup>216</sup> and heavily raising the limit can be done without extraneous amendments to the system as some domestic alternatives require.<sup>217</sup> In the alternative, adjusting to a high debt-to-GDP ratio instead of the current limit may also accomplish the same results and keep partisanship at bay.<sup>218</sup> Implementing either of these international solutions can maintain the integrity of the debt limit, but if political partisanship does not lessen over time, lawmakers may have to revisit other available options, such as choosing to rid the nation of the debt ceiling.<sup>219</sup>

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212. See Buchanan, *supra* note 39, at 52, 57.

213. See Stone, *supra* note 7.

214. See *id.*

215. See *id.*

216. See Shalifay, *supra* note 11.

217. See Stone, *supra* note 16.

218. See generally Shalifay, *supra* note 11 (noting how Denmark raised its debt limit and is "touted as a role model for how the US should operate under a debt ceiling.").

219. See generally Stone, *supra* note 7 (stating the "anachronistic nature of this ceiling has been a source of contention every time there has been a government shutdown or near default, most notably in 1995, 2011, and now 2013.").